(b) the aggregate cest of Listed Equity Shares of private companies purchased through private placement of Bought-out deals by IFCI during April 1, 1992 to March 31, 1996;

(c) the aggregate cost of Unlisted convertible debentures of private companies purchased by IFCI during April 1, 1992 to March 31, 1996;

(d) the aggregate cost of Listed Convertible debentures of private companies purchased through private placement of Bought-out deals by IFCI during April, 1992 to March 31, 1996; and

(e) the aggregate Dividend received from the companies given at (a) and (b), separately, during April 1, 1992 to June 31, 1996?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) The Industrial Finance Corporation of India Ltd., (IFCI) has reported that it does not purchase shares from the open market. However, IFCI acquires shares through underwriting/direct subscription assistance under project finance operations and by way of exercise of conversion option wherever stipulated. The aggregate cost of equity share of unlisted private sector companies subscribed by IFCI during April 1, 1992 to March 31, 1996 was Rs. 1887.77 lakhs.

(b) and (d) IFCI has reported that no such transactions had taken place during the period.

(c) The aggregated cost of convertible debentures of unlisted private sector companies subscribed by IFCI during April, 1992 to March , 1996 was Rs. 1807.15 lakhs.

(e) IFCI has reported that the amount of dividend received by it during the period April 1992 to June, 1996 was Rs. 20.30 lakhs in respect of companies referred to in part (a) of the Question.

Bank Branch at Morch, Manipur

651. SHRI GEORGE FERNANDES : Will the Minister of FINANCE be pleased to state:

(a) whether there is only one public sector bank functioning at Morch in Manipur;

(b) whether the traders and others at Morch have been demanding for opening of one more State Bank of India branch in the town;

(c) if so, whether Government propose to concede to their demand; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Reserve Bank of India (RBI) have reported that there is one branch of United Bank of India functioning at Morch in Manipur.

(b) to (d) Reserve Bank of India has not received any representation/proposal from the traders and others for opening a branch of State Bank of India at Morch. As per the extant branch licensing policy of RBI, the choice of the centres is left to the judgement of the banks themselves, who take into account inter-alia viability aspect and availability of inftrastructural facilities while taking decisions for opening of new branches.

[Translation]

Different Interest Rates

652. SHRI RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state:

(a) whether there are different interest rates of fixed deposits in post offices and nationalised commercial banks;

(b) if so, the reasons therefor; and

(c) the impact of this differences on banks and customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (c) Reserve Bank of India (RBI) has reported that the interest rate on deposits in nationalised banks are different from those in post offices, as the operations of post Offices are not comparable with those of commercial banks. Banks are commercial organisations and deploy their deposit funds in investments, loans and advances. Banks determine the interest rates on deposits based on several factors such as overall cost of funds, yield on funds, cost of servicing deposits, maturity pattern and so on.

Unlike Post Offices, fixed deposits of banks are more liquid as depositors can prematurely withdraw deposits or take loan against deposits with penalty. Further, banks offer various services and products to depositors like Cheque Book facility, remittance facility, demand drafts, clearing facility and so on. In view of a variety of products and services offered by commercial banks there is unlikely to be large scale shift of deposits from commercial banks to Post Offices.

[English]

Pension to Retired LIC Employees Prior to January 1, 1986

653. SHRI SATYA PAL JAIN : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of the grievances of L.I.C. employees who retired prior to January 1, 1986, about Pension Benefits;

(b) if so, the steps taken by the Government to redress the same;

(c) whether retired Class I Officers were given different treatment within the class by introducing a new phenomena of cut-off dates while releasing the arrears of salary/gratuity/pension on account of revision of scales with effect from August 1, 1992; and

(d) if so, the steps being taken by the Government to remove the following anomalies;

(i) the denial of arrears of salary and revised pension to pensioners retired between August 1, 1992 to Mach 31, 1993;

(ii) denial of difference in gratuity to those retired between August 1, 1992 to July 31, 1994;

(iii) treating the officers promoted before April 1, 1973 differently from those promoted after April 1, 1993 as Class I Officers by completely denying the former the benefit of gratuity on account of revision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) The pension scheme which was introduced in the Life insurance Corporation of India (LIC) w.e.f. 1.11.1993 is applicable to those who retired w.e.f. 1.1.1986 or later. The pension scheme was introduced in lieu of erstwhile Contributory Provident Fund scheme. Representations were received to include pre-1.1.1986 retirees also under the pension scheme. On account of financial and administrative constraints, it was not possible to extend the pension scheme to pre-1986 retirees.

(c) and (d) Even though the revision of pay scales of Class I Officers was w.e.f. 1.8.1992, taking into account the cost constraints the effective dates for drawal of benefits such as arrears of pay, enhanced gratuity and other allowances was staggered and is uniformly applicable to all Class-I Officers of the LIC.

Tax Dues Against Airlines

654. SHRIMATI LAKSHMI PANABAKA : Will the Minister of FINANCE be pleased to state:

(a) whether a number of foreign airlines have become defaulters in regard to payment of tax on income;

(b) if so, whether the Delta Airlines and the United Airlines have not paid tax on income collectively amounting to Rs. 800 crores which they earned in India during the last few years;

(c) if so, the details thereof;

(d) whether the Delta Airlines have not paid tax since 1991;

(e) if so, the details thereof;

(f) whether the US Airlines have also not paid tax since 1995; and

(g) if so, the details thereof and the action proposed to be taken by the Government against these airlines for non-payment of tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Only three foreign airlines are reported to have become defaulters in regard to payment of tax on income.

(b) to (g) As per Article 8 of Double Taxation Avoidance Agreement between India and USA, the income of airlines based in USA are subject to tax in USA only.

However, notice have been issued to M/s Delta Airlines for assessment year 1992-93 to 1996-97 to bring to tax its income other than the income from business operations of airlines. The returns have been filed by M/s Delta Airlines in response to these notices.

Similarly, enquiries have also been made in respect of M/s United Airlines to bring to tax its income other than the income arising from its airlines operations.

Additional Central Financial Assistance to States

655. DR. Y.S. RAJASEKHARA REDDY: Will the Minister of FINANCE pleased to state:

(a) the total additional central financial assistance sought by the various States particularly Andhra Pradesh during each of the last three years.

(b) the details of funds allocated by the Union Government during the above period,—projectwise;

(c) whether any additional assistance has been sought during the current financial year; and

(d) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (d) The Annual Plans of States are finalised by the Planning Commission to be funded by States' own resources and Centrally allocated resources like market borrowings negotiated loans and Central Assistance. The Annual Plans are fully funded. This Central Plan Assistance consists of Normal Central Assistance, Additional Central Assistance for Externally Aided Projects. Central Assistance for Centrally Sponsored Schemes transferred